

Lachlan Star raises \$2.85m in placement to progress CMD Gold Mine in Chile

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Lachlan Star ([ASX: LSA](#)) has raised \$2.85 million through a placement to investors in Canada and Europe at \$0.014, with funds to be predominately used for the highly prospective CMD Gold Mine in Chile.

The injection in funds will be used for mine pre strip at the wholly owned CMD, which just last week achieved the first JORC Probable Reserve estimate of 157,000 ounces of contained gold, enabling the company to boost

production and extend mine life.

Mick McMullen, chairman, said “This placement will provide additional funding to be used for mine expansion in Chile.

“The placement has been done to key shareholders in the Canadian and European markets that will further enhance our visibility in those markets.”

The placement was made under the company's 15% capacity to issue new securities.

CMD Gold Mine - JORC Probable Reserve

Last week Lachlan Star achieved the first JORC Probable Reserve estimate of 157,000 ounces of contained gold at CMD, with the mine strategically located adjacent to Teck Resources (NYSE: TCK) massive Andacollo mine which hosts resources of; 535 million tonnes grading 0.37% copper and 0.12g/t gold, providing prospective copper exploration upside in the region.

Lachlan Star is also developing a plan for an intermediate pit in the central area of the Las Loas project, which will accelerate ore production and reduce the stripping ratio over the next 6 months.

The company has an unhedged production of around 40,000 to 50,000 ounces of gold per annum and 30,000 ounces of gold in inventory on leach pads.

Lachlan Star is also looking to consolidate its share capital on a one for 60 basis to align it with the North American gold producing peers.

The company’s peers are predominantly small to medium sized gold producers with assets in the Americas, and are typically TSX or TSX-V Exchange listed entities with less than 100 million shares on issue.